developments and taking appropriate action as necessary.

Private Sector participation in Insurance Sector

675. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to involve private sector participation in Insurance Sector in the Country;

(b) if so, whether there has been great resentment amongst the officers of the indigenous insurance companies on this issue;

(c) if so, whether such a step taken by Government is going to affect adversely on Insurance Companies and also on the economic front; and

(d) if so, the further steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) This matter is engaging the attention of the Government as a part of the overall reforms for the insurance sector. No decision on participation of private companies was taken till the end of previous financial year 1997-98. The policy is, however, under constant review thereafter.

(b) From time to time, representations have been received from the Unions/ Associations of the employees of the Public Sector Insurance Companies against permitting the entry of the Private Sector companies into the insurance sector.

(c) and (d) The interests of the economy in general and the insurance companies and their employees in particular will be kept in view as and when a decision is taken in the matter.

Amount written off as Bad Debt

676. SHRI KULDIP NAYYAR: Will the Minister of FINANCE be pleased to state:

(a) the amount of money written off as bad debts by nationalised banks during the last two years and the details of the money written off by each bank;

(b) whether Government are aware that defaulting parties were again given loans by the same banks; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) As reported by Reserve Bank of India (RBI) the amount of bad debts written off by Nationalised Banks during the last two years i.e. 1995-96 & 1996-97 (Bank-wise) are given in the statement. (*See* below)

(b) and (c) RBI collects and disseminates information of defaulting borrowers and suit filed accounts among the public sector banks and financial institutions. The objective of the scheme is to alert banks and financial institutions to put them on guard against the borrowers who have defaulted in the repayment of the dues to the lending institutions. The information circulated by RBI constitutes an input in the process of decision-making by the banks on the basis of their commercial judgement.

Statement

Bad debts written off by the nationalised banks during the last two years

Sr. No.	Name of the Bank	1995-96	1996-97
1.	Allahabad Bank	6.71	21.39
2.	Andhra Bank	1.95	37.42
3.	Bank of Baroda	46.42	70.17
4.	Bank of India	307.08	217.15